



Market Report

A Snapshot of your Market Sector

Sustainable Fashion and Textiles

This pack has been designed to provide information on setting up a business in the **Sustainable Fashion and Textiles** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2020**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Sustainable Fashion and Textiles market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Many fashion shoppers are beginning to make changes to their shopping habits due to increased awareness around shopping more ethically and sustainably. According to data from this Report, nearly three in five (**57%**) fashion shoppers said that they are trying to shop more sustainably than they did a year ago. Issues such as animal welfare and plastic pollution are of particular importance to consumers, with many saying that they prefer to shop somewhere that promises to stop using both plastics and animal products. We see this reflected in data from this Report with **42%** of fashion consumers citing plastic pollution as one of the main things to take into consideration when shopping for fashion and **35%** saying they prefer to buy from a fashion retailer that promises to get rid of plastic (Intel, *Fashion and Sustainability – UK – August 2019*).
- ◆ Rising environmental consciousness and ethical consumerism have prompted the development of new markets, the entry of new firms, and have helped players differentiate themselves from low-cost imports. IBISWorld expects the number of industry enterprises and establishments to increase at respective compound annual rates of **3.5%** and **2.6%** over the five years through 2019-20. (IBISWorld, *Clothing Manufacturing in the UK – July 2019*).
- ◆ For woven and finished textile products, competition is increasingly focused on quality over price. Price tends to be perceived as inversely related to quality, especially in more niche product segments. This is relevant to natural fibre manufacturers due to trends in environmental awareness among consumers. Rising demand for organic and sustainable products has allowed manufacturers to raise price points and differentiate themselves based on quality. (IBISWorld, *Textile Weaving & Finishing- UK, March 2019*).
- ◆ Zero Waste Scotland (<https://www.zerowastescotland.org.uk/>) exists to lead Scotland to use products and resources responsibly, focusing on where we can have the greatest impact on climate change.
- ◆ SCAP (Sustainable Clothing Action Plan). (<https://tinyurl.com/jimwzpx>) is a collaborative framework and voluntary commitment to deliver industry-led targets for reducing the use of resources in the clothing industry.

The national organisation for this industry is [Textiles Scotland](#). Other industry bodies include [UKFT - UK Fashion and Textile Association](#), [TSA - Textile Services Association](#), [Zero Waste Scotland](#), [Textile Recycling Association](#), and [Love Your Clothes.Org](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel – *Fashion and Sustainability UK – (August 2019)*** - M&S is consistently viewed by people as the most ethical fashion retailer as it is seen as such an important part of the British high street. However, the feelings about M&S being ethical are not purely sentimental. M&S has introduced many different sustainable and ethical initiatives, before most other fashion retailers were doing so. In 2007 it launched 'Plan A', an eco and ethical programme that tackles sustainable retail challenges. Plan A paved the way for M&S to become the world's first carbon-neutral major retailer.
- ◆ **Mintel – *Ethical Lifestyles – UK (June 2018)*** - There are opportunities for brands to create marketing campaigns that will encourage all consumers to redouble their eco-efforts, as well as charting their own initiatives. Looking to the future, Brexit raises many questions over what ethical and environmental legislation will look like outside of the EU. With the UK likely to be able to create its own trade deals in the near future, there are some concerns that this could mean a decline in current ethical standards in particular. However, for both the government and brands there are opportunities to further tighten their current ethical practices, helping to position the UK as a world leader when it comes to tackling green and ethical issues.
- ◆ **IBISWorld – *Clothing Manufacturing in the UK –(July 2019)*** - Shifting consumer attitudes have led to a greater focus on provenance, and this trend is expected to continue over the next five years as more people seek out locally produced goods due to ethical and environmental concerns. According to a 2017 report by Fashion Revolution, a group advocating for greater transparency, fairness and safety in the fashion industry, 25% of those aged between 20 and 24 in the United Kingdom would like to see how clothing is made using videos, and 60% would like more eco-friendly fabrics to be used to manufacture clothes

There are also a number of online resources you may find helpful:

- ◆ **Scottish Government - *Making Things Last: a circular economy strategy for Scotland*** (2016) (<https://tinyurl.com/reg7pg5>) - Scotland has a strong history of innovation, and a number of sectors and individual companies have already embraced circular economy principles in product design and system design. We now need to raise wider business awareness of circular economy opportunities, particularly innovation in design and we have concluded that the best way to do that is to integrate circular economy thinking, particularly on design, into a more mainstream approach.
- ◆ **PLATE (Product Lifetimes and the Environment) *The Sustainable Future of the Scottish Textiles Sector: Challenges and Opportunities of Introducing a Circular Economy Model*** (2014) (<https://tinyurl.com/w9jmv5o>). The Scottish textiles industry is worth £956 million to the Scottish economy and is the seventh biggest contributor to it. Zero Waste Scotland (ZWS) is spearheading a series of initiatives in Scotland with other organisations, including universities that will encourage the introduction and, further uptake of, resource efficient and sustainable materials and

processes into textile supply chains and the economy, to contribute to a sustainable circular economy model for the sector.

- ◆ From **Zero Waste Scotland, *Second hand shopping so 'hot right now'*** , May 2019 - (<https://tinyurl.com/v3nodnp>) New figures reveal increasing numbers of Scottish shoppers are turning their back on the big high street names with more than half of consumers (55%) saying they consider buying second hand before purchasing new items.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#), [Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](#) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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